

# ICPS newsletter®

## One Hundred Days: Traps the Yanukovych Government has fallen into

**12 November 2006 marked 100 days since Viktor Yanukovych's appointment as Premier of the coalition Government. It has become customary in Ukraine to use this period as an opportunity for an early appraisal of a Government's performance. Since constructive criticism is an essential part of the democratic process and criticism of the Government inevitable in a democratic society, analysts at the ICPS have made their contribution to the discussion. The main task for a strong Government is not only to be able to accept this criticism, but also to learn from its mistakes**

The current Government is the first one to operate since amendments to the Constitution came into force on 1 January 2006. However, it has fallen into many of the same traps as earlier Governments.

### Trap №1: No clear plan for the future

For most of its first 100 days in office, the new coalition seems to have spent more of its energy on consolidating power for itself. The only public policy documents that it had before taking office were the three parties' election platforms, the agreement to form an "anti-crisis" coalition, and the Manifesto of National Unity. However, all three documents are filled with general concepts that shed little light on the practical steps that the Government intends to take.

Without a clear strategy for action agreed by the coalition partners, the Government itself often does not seem to know what it wants to do. By not presenting a clear plan of action, the Government has allowed people to come to their own conclusions about its policies. In particular, it has fuelled suspicion among its opponents that it is only concerned with promoting its own business interests at the expense of most other social and economic spheres.

In short, if the Government does not establish goals and criteria by which it should be judged, others will establish such criteria—and not in the Government's favor.

Without a clear, comprehensible program, the Government will be criticized, even if

it makes absolutely successful decisions, as voters will not understand the logic of these decisions. For example, although the Cabinet has significantly improved the relations with Russia, the opposition is still very critical of the Russian vector in foreign policy. The lack of a clear Government position on just how far economic and political cooperation with Russia will go and which forms it will take arouses suspicions that the Cabinet is ready to sell out national interests on strategic issues.

### Trap №2: No consultation with interest groups

In most instances, the Government continues to see consultation processes as a formality rather than as a truly useful tool for gathering information about the positions of key stakeholders that can then be used to develop policy that is more likely to gain broad acceptance among voters.

A very good example of this was the Draft 2007 State Budget, which was made publicly available for discussion just one day before the Verkhovna Rada was scheduled to vote on it. As a result, the Draft Budget became the focus of criticism from many interest groups.

Much of this public criticism could have been avoided had informal consultation mechanisms been employed beforehand. This mistake has been repeated with many economic decisions, especially with the re-introduction of special economic zones (SEZs) and restrictions on grain exports.

The Government often replaces the necessary democratic procedures with

### By the way...

- 16–18 November, ICPS specialist Olha Shumylo participated in a seminar called "Reviewing OECD Practice with Social Initiatives," held in connection with the 3rd Donor Roundtable on civil society development in Central and Eastern Europe, the CIS, the Western Balkans, and Turkey.
- On 16 November, ICPS Director Viktor Chumak and ICPS Director of Publications and Economic Research Oleksiy Blinov participated in a roundtable organized by the Verkhovna Rada Committee for Economic Policy. During this event, experts and government officials discussed the draft 2007 State Program for Socio-Economic Development.
- As part of the "Public Consultations on the EU–Ukraine Free Trade Agreement" project, a roundtable called "The Ukraine–EU Free Trade Area: Possible Consequences for the Machine-Building, Chemicals and Light Industries" took place on 15 November.
- On 13 November, ICPS Director Viktor Chumak participated in a roundtable called "The Government's Place and Role in the Context of a New Political Model in Ukraine," organized by the Laboratory of Legislative Initiatives together with the Konrad Adenauer Foundation in Ukraine, the Centre for Political and Legal Reforms, and the Parliamentary Development Project for Ukraine.
- Over 7–10 November, ICPS specialist Ivan Presniakov participated in a seminar called "Instruments for Developing, Coordinating, Updating, and Implementing Government Defense and Security Policy." This seminar was organized by the NATO Liaison Office (NLO) in Ukraine and the Geneva Center for the Democratic Control of Armed Forces.

“the will of the people” and public opinion. For example, although the Premier’s statement that Ukraine would not join the NATO Membership Action Plan (MAP) in 2006 may have reflected broad public opinion, it was not agreed with other government institutions, such as the Presidential Secretariat or the Ministry of Defense. This drew strong public criticism of the Premier from these bodies. It also created an impression among Ukraine’s international partners that the Government is disorganized and is unable to coordinate a clear policy among different domestic interest groups.

The continuing tug-o-war over the Bill on the Cabinet of Ministers and the Bill on the Opposition suggests that, rather than engaging in consultations that might find consensus among different political forces, the Government has tried to impose its own vision of this issue and so it remains deadlocked.

ICPS analysts are convinced that strictly formal consultations that have no impact on the decision-making process also damage the Government and the state. Firstly, the quality of the decisions made by the Government is worse because these do not adequately take into account the interests of important stakeholders. Secondly, they generate anger and frustration among various interest groups. A good example is when grain traders filed a claim with the courts after the Government slapped quotas on grain exports.

### Trap №3: Opaque decision-making

Over its first 100 days, the Government has often failed to explain the

procedures it uses to make decisions or to justify these decisions convincingly. The most obvious case was its negotiations with Russia over the price for gas in 2007. The Government has still not provided any essential information about the substance of these talks. On one hand, it is natural that the details of negotiations remain secret until a deal is struck. On the other, the closed format in which these negotiations took place has caused significant concern.

The danger is not only that Ukraine will end up with another gas deal that is not in its best interests. Even if the Government managed to get what it considers a “normal” price for gas in 2007, it is unlikely to convince the public that it has done so. Most people are either confused or concerned by the limited and conflicting information they are receiving. At the same time, the Government has done little to prepare the public for continued increases in the price of gas. The murky deal has thus created a situation where the price of natural gas will continue to be a politically divisive issue in Ukraine.

### Jockeying for power vs long-term growth

Over its first 100 days, many of the Government’s actions appear to have been motivated more by an ongoing struggle for power between the President and the Premier than by long-term strategic plans for the country’s development. One victim of this struggle is the reform of the civil service. The Cabinet has refused to implement it, that is, to divide administrative and political positions in the civil service and to introduce the institute of the State Secretary, for fear that this could strengthen the position of the President.

The Government seems to be similarly motivated in discussing the Bill on the Cabinet of Ministers, in adopting personnel-related decisions, and even in setting up the coalition. Carried away by the struggle for power and making decisions based on political considerations alone, the coalition and the Government are committing a double mistake. Firstly, these actions provide the opposition with excellent fuel for criticism. Secondly,—and this is the more important point—, voters are inevitably becoming disgruntled as they see that making effective decisions is not a top priority for this Government.

### The Government needs to work better with voters

As a result of its actions over 100 days, the Yanukovich Government is already at risk of becoming just as ineffective and unpopular as earlier Ukrainian Governments. The Government cannot return to the administrative chain-of-command, but it also has not learnt how to govern in an open political system, with stronger parties, a free press and a more demanding electorate. If the Yanukovich Government does not learn how to interact better with voters, it is unlikely to be considered successful over the longer term, even if the economy continues to grow. ■

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## Monitoring and evaluating the implementation of local party platforms

Public debates on monitoring and evaluating the effectiveness of implementing the platforms of local branches of political parties were held in various oblasts as part of the “Impact of NGOs on the Formation and Implementation of Political Platforms” project. Participants in Donetsk, Mykolayiv, Poltava and Vinnytsia included political parties, local council deputies, community organizations, business, and the media.

As part of these events, ICPS analysts Andriy Zelnytskiy and Petro Udovenko presented a model that demonstrates the transformation of party policy into state and local policies.

The main goal of these debates is to involve community organizations and to prepare them to have an effective impact on the development and implementation of party policies at the regional level. Participants discussed four key questions:

- What must be done to ensure greater transparency and openness in the activities of party organizations and party factions in local councils?

- What can be done to increase the responsibility of party organizations and party deputies for their platforms and their performance?
- Which municipal development priorities that satisfy the interests of the local community and the priorities stated in party platforms should be included in local council action programs for 2007?
- How can the impact of NGOs on the formulation and implementation of party policies be strengthened?

*ICPS is implementing the “Impact of NGOs on the Formation and Implementation of Political Platforms” project with the support of the Institute of Sustainable Communities (ISC) and the Ukraine Citizen Action Network (UCAN).*

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